

[Submitting Counsel on Signature Page]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE JUUL LABS, INC.,
MARKETING, SALES PRACTICES,
AND PRODUCTS LIABILITY
LITIGATION

Case No. 19-md-02913-WHO

TRIAL TESTIMONY AND EXHIBITS
FROM THE VIDEOTAPED TESTIMONY
OF RIAZ VALANI, JLI BOARD MEMBER,
PLAYED AT TRIAL

This Document Relates to:

*San Francisco Unified School District v.
Juul Labs, Inc. et al., Case No. 3:19-cv-
08177*

Plaintiff, by and through its undersigned attorneys, hereby docketes the following:

1. **Exhibit 1** is a report of the videotaped testimony of Riaz Valani, JLI Board Member, that was played to the jury on April 26, 2023. The testimony in blue 00:48:57 and light blue 00:00:00 is Plaintiff's affirmative and counter-counter designations.
2. **Exhibit 2**: is a *Joint Stipulation Identifying Trial Exhibits Used In Videotaped Depositions of Riaz Valani Played at Trial* that sets forth all of the Trial Exhibits from the videotaped testimony of Riaz Valani admitted into evidence by the Court.

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EXHIBIT 1

VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

Designation List Report



Valani, Riaz
Valani, Riaz

2021-09-30
2021-10-01

PLF AFFIRMATIVE	00:48:57
DEF COUNTER	00:07:05
TOTAL RUN TIME	00:56:01



Documents linked to video:
BOWEN11125
VALANI40072
VALANI40077
VALANI40078
VALANI40090
VALANI40100
VALANI40103
VALANI40104
VALANI40105
VALANI40107
VALANI40108
VALANI40109
VALANI40112
VALANI40114
VALANI40118
VALANI40119

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
12:10 - 12:12	Valani, Riaz 2021-09-30_WIT	00:00:03	VR_v13.1
	12:10 QUESTIONS BY MS. SHARP:		
	12:11 Q. Good morning, Mr. Valani.		
	12:12 A. Good morning.		
12:13 - 12:17	Valani, Riaz 2021-09-30_WIT	00:00:08	VR_v13.2
	12:13 Q. My name is Dena Sharp. I		
	12:14 haven't had a chance to introduce myself. I		
	12:15 represent the plaintiffs in the case.		
	12:16 Thanks for being here today.		
	12:17 A. Thank you.		
14:07 - 14:08	Valani, Riaz 2021-09-30_WIT	00:00:03	VR_v13.3
	14:07 Let's talk a little		
	14:08 bit about your background, just to start out.		
14:09 - 14:12	Valani, Riaz 2021-09-30_WIT	00:00:07	VR_v13.4
	14:09 My understanding is that you		
	14:10 started out in investment banking in New York		
	14:11 at Gruntal & Company; is that right?		
	14:12 A. That's right.		
15:06 - 15:12	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.5
	15:06 Q. And at some point		
	15:07 you came to be involved in the company that		
	15:08 is now known as JUUL, right?		
	15:09 A. Correct.		
	15:10 Q. At the time you joined in 2007,		
	15:11 it was called Ploom; is that right?		
	15:12 A. That's correct.		
15:13 - 16:01	Valani, Riaz 2021-09-30_WIT	00:00:29	VR_v13.6
	15:13 Q. And the company		
	15:14 later changed forms, and part of it came to		
	15:15 be known as PAX, right?		
	15:16 A. That's correct.		
	15:17 Q. And later on, PAX spun off and		
	15:18 yielded the company that we now know as JUUL		
	15:19 Labs, Inc., or JLI; is that right?		
	15:20 A. That's correct.		
	15:21 Q. All right. So today I'm going		
	15:22 to refer to JLI, or JUUL, generally, and what		
	15:23 I'll mean is that company that you've been a		
	15:24 part of or have been investing in since 2007.		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	15:25 Okay?		
	16:01 A. Sure. Yes.		
16:10 - 16:14	Valani, Riaz 2021-09-30_WIT	00:00:08	VR_v13.7
	16:10 All right. Now, you were one		
	16:11 of the earliest investors in the company		
	16:12 that's now known as JUUL, or JUUL Labs,		
	16:13 right?		
	16:14 A. That's correct.		
16:15 - 16:18	Valani, Riaz 2021-09-30_WIT	00:00:07	VR_v13.8
	16:15 Q. And you're also a principal of		
	16:16 a firm called Global Asset Capital; is that		
	16:17 correct?		
	16:18 A. That's correct.		
39:11 - 39:12	Valani, Riaz 2021-09-30_WIT	00:00:04	VR_v13.9
	39:11 All right. We'll mark this as		
	39:12 a new exhibit, which is 40072.		
39:13 - 40:13	Valani, Riaz 2021-09-30_WIT	00:01:08	VR_v13.10
🔗 VALANI40072.	39:13 Now, Mr. Valani,		
2.1			
	39:14 based on the math that we've been doing on		
	39:15 the fly a little bit here, as we understand		
	39:16 it, and understanding your caveats about		
	39:17 trusting our math rather than looking at the		
	39:18 source documents, as we calculate it, the		
	39:19 amount that you personally had invested, in		
	39:20 your own personal capacity and through Ploom		
	39:21 Investment LLC, in the company known as JLI		
	39:22 as of the December 2018 Altria transaction,		
🔗 VALANI40072.	39:23 was approximately 4 million --		
2.2			
	39:24 \$4.789 million, correct?		
	39:25 A. Yes.		
	40:01 Q. All right. And the payout that		
	40:02 you received -- and again, understanding		
🔗 VALANI40072.	40:03 you're trusting our math -- from the Altria		
2.3			
	40:04 transaction was approximately \$2.45 billion,		
	40:05 correct?		
	40:06 A. Yeah. Thereabouts.		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	<p>40:07 Q. And doing rough math there,</p> <p>40:08 that's about a 512 times return on that</p> <p>40:09 investment, correct?</p> <p>40:10 A. That's the amount.</p> <p>40:11 Q. All right. That's about a</p> <p>40:12 51,248 percent increase, correct?</p> <p>40:13 A. Yes.</p>		
41:03 - 41:06	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.11
	<p>41:03 Q. And you received this 512 times</p> <p>41:04 return on your investment just approximately</p> <p>41:05 three and a half years after the JUUL product</p> <p>41:06 launched in June of 2015, right?</p>		
41:08 - 41:08	Valani, Riaz 2021-09-30_WIT	00:00:02	VR_v13.12
	<p>41:08 THE WITNESS: Sounds right.</p>		
43:23 - 44:14	Valani, Riaz 2021-09-30_WIT	00:00:34	VR_v13.13
☒ Clear	<p>43:23 Q. You are currently a</p> <p>43:24 member of the JLI board of directors; is that</p> <p>43:25 right?</p> <p>44:01 A. I am.</p> <p>44:02 Q. Have been since 2007?</p> <p>44:03 A. Yeah. I mean, as you had</p> <p>44:04 mentioned, the preceding entities like Ploom</p> <p>44:05 and PAX and then JUUL.</p> <p>44:06 Q. Correct. Thank you.</p> <p>44:07 And you have two seats on the</p> <p>44:08 board, correct?</p> <p>44:09 A. That's correct.</p> <p>44:10 Q. And have since 2013?</p> <p>44:11 A. I'd have to go back and look at</p> <p>44:12 the dates.</p> <p>44:13 Q. Sound more or less about right?</p> <p>44:14 A. Sounds right.</p>		
44:16 - 44:17	Valani, Riaz 2021-09-30_WIT	00:00:06	VR_v13.14
	<p>44:16 Tell us how you came to invest in Ploom back</p> <p>44:17 in 2007.</p>		
44:18 - 45:10	Valani, Riaz 2021-09-30_WIT	00:01:03	VR_v13.15
	<p>44:18 A. I was forwarded an</p> <p>44:19 e-mail by a friend of mine that was sent to</p> <p>44:20 the Stanford LISTSERV of, I think, yeah,</p>		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	<p>44:21 Stanford alumni and people involved in</p> <p>44:22 entrepreneurship and venture funding at</p> <p>44:23 Stanford. And it was from the Ploom</p> <p>44:24 founders, and they were looking to raise</p> <p>44:25 capital for a new venture with a focus on</p> <p>45:01 ending smoking.</p> <p>45:02 And -- and I thought it sounded</p> <p>45:03 interesting, and I reached out to them and</p> <p>45:04 met them.</p> <p>45:05 Q. And the Ploom founders were</p> <p>45:06 Adam Bowen and James Monsees, right?</p> <p>45:07 A. That's correct.</p> <p>45:08 Q. And you said that the focus of</p> <p>45:09 the company was on ending smoking?</p> <p>45:10 A. That's correct.</p>		
45:11 - 45:19	Valani, Riaz 2021-09-30_WIT	00:00:29	VR_v13.16
	<p>45:11 Q. Do you feel that you shared the</p> <p>45:12 vision that Mr. Bowen and Monsees had for the</p> <p>45:13 company in that it could help end smoking?</p> <p>45:14 A. Yeah. I mean, it's a, you</p> <p>45:15 know, highly intractable problem, and</p> <p>45:16 obviously there'd been, you know, many</p> <p>45:17 different attempts at trying to address the</p> <p>45:18 problem, but I thought they had an</p> <p>45:19 interesting approach and orientation.</p>		
68:10 - 68:15	Valani, Riaz 2021-09-30_WIT	00:00:18	VR_v13.17
	<p>68:10 Q. Cigarette use was on the</p> <p>68:11 decline before JUUL became available, right?</p> <p>68:12 A. Yeah, as I said, 2 to 3 percent</p> <p>68:13 per year was kind of the median number, and I</p> <p>68:14 think that the advent of JUUL accelerated</p> <p>68:15 those rates materially.</p>		
68:16 - 68:21	Valani, Riaz 2021-09-30_WIT	00:00:12	VR_v13.18
	<p>68:16 Q. I think that you've talked</p> <p>68:17 about JUUL pursuing a harm reduction strategy</p> <p>68:18 or something like that.</p> <p>68:19 Is that fair?</p> <p>68:20 A. Yeah, not something like that</p> <p>68:21 but, yeah, exactly that.</p>		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
69:09 - 69:14	Valani, Riaz 2021-09-30_WIT	00:00:16	VR_v13.19
	69:09 Q. Do you		
	69:10 agree that even if harm reduction for adults		
	69:11 is the mission for the product, that		
	69:12 addicting children to nicotine along the way		
	69:13 is an unacceptable outcome?		
	69:14 A. I do believe that.		
69:18 - 69:19	Valani, Riaz 2021-09-30_WIT	00:00:03	VR_v13.20
	69:18 Q. You do believe that?		
	69:19 A. I do.		
72:07 - 72:10	Valani, Riaz 2021-09-30_WIT	00:00:15	VR_v13.21
	72:07 And you agree that responsible		
	72:08 management of the JUUL product would include		
	72:09 ensuring that no youth users become addicted		
	72:10 to nicotine, right?		
72:15 - 72:20	Valani, Riaz 2021-09-30_WIT	00:00:17	VR_v13.22
	72:15 THE WITNESS: Yeah, I do		
	72:16 believe that. I should stipulate,		
	72:17 though, that -- that kids do a variety		
	72:18 of things they're not supposed to do,		
	72:19 and I really don't want JUUL'ing to be		
	72:20 one of them.		
111:20 - 112:04	Valani, Riaz 2021-09-30_WIT	00:00:23	VR_v13.23
	111:20 Q. we agree that		
	111:21 nicotine is an addictive substance, right?		
	111:22 A. It is generally, yeah,		
	111:23 generally accepted as true.		
	111:24 Q. And you don't deny it, right?		
	111:25 A. No.		
	112:01 Q. And you knew nicotine was		
	112:02 addictive before you first invested in the		
	112:03 company in 2007, right?		
	112:04 A. Yeah.		
164:14 - 164:17	Valani, Riaz 2021-09-30_WIT	00:00:11	VR_v13.24
	164:14 Q. The 5 percent pod was the		
	164:15 primary product that the company sold between		
	164:16 2015 and 2018, right?		
	164:17 A. I believe so.		
167:21 - 167:23	Valani, Riaz 2021-09-30_WIT	00:00:05	VR_v13.25

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	167:21 you were aware 167:22 when the product launched that it didn't have 167:23 dosage control, right?		VR_v13.25
168:02 - 168:08	Valani, Riaz 2021-09-30_WIT	00:00:04	VR_v13.26
	168:02 THE WITNESS: Can you explain 168:03 what that -- what you mean by that? 168:04 (Valani Exhibit 40077 marked 168:05 for identification.) 168:06 QUESTIONS BY MS. SHARP: 168:07 Q. Sure. Let's pull up a 168:08 document.		
🔗 VALANI40077.	1.1		
168:19 - 169:06	Valani, Riaz 2021-09-30_WIT	00:00:28	VR_v13.27
🔗 VALANI40077.	168:19 This is a long e-mail from 168:20 someone named Alex Asseily. On the first		
	1.2		
	168:21 page you can see that the e-mail I'm looking 168:22 at is a couple down here. It begins, "Nick 168:23 and Riaz." Go about halfway down the page. 168:24 Perfect. 168:25 On May 17, 2015, Alexander 169:01 Asseily wrote an e-mail to you and to Nick, 169:02 right? 169:03 A. Yes. 169:04 Q. All right. And "Nick" refers 169:05 to Nick Pritzker who also sat on the board? 169:06 A. That's correct.		
170:04 - 170:21	Valani, Riaz 2021-09-30_WIT	00:00:39	VR_v13.28
🔗 VALANI40077.	170:04 So now let's go back to		
	3.1		
	170:05 the bottom of the e-mail chain on Bates 294. 170:06 And I'm focusing at the bottom where he		
🔗 VALANI40077.	170:07 says -- where Mr. Asseily writes, "Some		
	3.2		
	170:08 product experience thoughts for JUUL." 170:09 You see that, right? 170:10 A. I do.		
🔗 VALANI40077.	170:11 Q. And the very first bullet point		
	3.3		
	170:12 says, "Dosage control for tobacco. A single		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	170:13 hit from JUUL is like a lot of puffs from a 170:14 cigarette. How do people know?" 170:15 Right? 170:16 A. Uh-huh. ⌚ VALANI40077. 170:17 Q. And then the fifth bullet point 3.4 170:18 below says, "There is no end to JUUL use, the 170:19 way there is with a cigarette." 170:20 Right? 170:21 A. Yes.		
170:25 - 171:04	Valani, Riaz 2021-09-30_WIT	00:00:09	VR_v13.29
	170:25 Q. He continues, "Important to 171:01 ponder the ramifications. I get a headache 171:02 sometimes if I use it too much." 171:03 Do you see that? 171:04 A. Yes.		
171:24 - 172:02	Valani, Riaz 2021-09-30_WIT	00:00:09	VR_v13.30
☒ Clear	171:24 Now, Mr. Asseily wasn't the 171:25 only one who raised a red flag about the 172:01 large amounts of nicotine continuous JUUL use 172:02 could provide, right?		
172:05 - 172:07	Valani, Riaz 2021-09-30_WIT	00:00:05	VR_v13.31
	172:05 THE WITNESS: Yeah, you want -- 172:06 do you have other documents you want 172:07 to bring up?		
172:11 - 172:12	Valani, Riaz 2021-09-30_WIT	00:00:04	VR_v13.32
	172:11 Q. I do. ⌚ VALANI40078. 172:12 Let's go to Tab 52A, please. 1.1		
172:13 - 172:18	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.33
⌚ VALANI40078.	172:13 All right. Now, this is an 172:14 e-mail from a gentleman named Amit Jain. 1.2 172:15 Did I get that right? 172:16 A. Yes. 172:17 Q. And who is Mr. Jain, please? 172:18 A. He's a close friend of mine.		
172:24 - 173:14	Valani, Riaz 2021-09-30_WIT	00:00:36	VR_v13.34
	172:24 Q. Now, he wrote to you on		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	172:25 September 7th of 2015, an e-mail, right? 173:01 Do you see that? 173:02 A. Yes. 173:03 Q. And September 7, 2015, is about 173:04 three months after JUUL initially launched, 173:05 right? 173:06 A. Yes.		
⌚ VALANI40078.	173:07 Q. And what he writes to you is, 1.3 173:08 "Only downside I see with this PAX/JUUL 173:09 device is that the nicotine content is so 173:10 high that you can probably end up even more 173:11 addicted to nicotine, especially since you 173:12 can vape all the time." 173:13 Right? 173:14 A. Yes.		
173:17 - 173:22	Valani, Riaz 2021-09-30_WIT	00:00:09	VR_v13.35
	173:17 THE WITNESS: I see -- I see 173:18 the text. 173:19 QUESTIONS BY MS. SHARP: 173:20 Q. Do you remember receiving it? 173:21 A. Now that I see it here, yes, I 173:22 do remember it.		
173:23 - 173:25	Valani, Riaz 2021-09-30_WIT	00:00:07	VR_v13.36
	173:23 Q. Did you respond to Mr. Jain? 173:24 A. I don't think so. If I did, 173:25 you would have it.		
179:14 - 179:21	Valani, Riaz 2021-09-30_WIT	00:00:14	VR_v13.37
	179:14 QUESTIONS BY MS. SHARP: ⌚ VALANI40078. 179:15 Q. Now, Mr. Jain calls up this 1.4 179:16 thread again in 2018 and he says, "I called 179:17 it three years ago." 179:18 Didn't he? 179:19 A. He did. 179:20 Q. Did you respond to that e-mail? 179:21 A. I did not.		
254:17 - 254:18	Valani, Riaz 2021-09-30_WIT	00:00:05	VR_v13.38
☒ Clear	254:17 well, when did you first realize		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	254:18 that young people were using JUUL?		
254:20 - 255:03	Valani, Riaz 2021-09-30_WIT	00:00:36	VR_v13.39
	254:20 THE WITNESS: There were some,		
	254:21 you know, anecdotal reports in 2017		
	254:22 and 2018 that indicated that there was		
	254:23 some trend in this direction.		
	254:24 I think that the magnitude, you		
	254:25 know, of increase, you know, in 2018		
	255:01 was really demonstrated by the NYTS		
	255:02 data, but there were some anecdotal		
	255:03 reports prior to that.		
255:09 - 255:14	Valani, Riaz 2021-09-30_WIT	00:00:16	VR_v13.40
	255:09 So was there a time in 2017		
	255:10 that you personally became aware that youth		
	255:11 were using JUUL?		
	255:12 A. I don't know precise dates,		
	255:13 but, you know, I -- I did see whatever		
	255:14 anecdotal reports were out there.		
329:09 - 330:14	Valani, Riaz 2021-09-30_WIT	00:01:15	VR_v13.41
⌚ VALANI40090.	329:09 Q. And this e-mail		
1.1			
	329:10 from July 2, 2015, is from Mr. Frankel to		
	329:11 Mr. Asseily and yourself, Mr. Valani.		
	329:12 Do you see that?		
	329:13 A. I do.		
	329:14 Q. And the subject line is, "Did		
	329:15 you guys read the second half of this		
	329:16 article?"		
	329:17 And Mr. Frankel is obviously		
	329:18 sending you a portion of an article that it		
	329:19 appears he's cut and pasted.		
⌚ VALANI40090.	329:20 And the language he includes		
1.2			
	329:21 says the following. "John Schachter,		
	329:22 director of state communications for Campaign		
	329:23 for Tobacco-Free Kids, expressed concern		
	329:24 about the JUUL campaign because of the youth		
	329:25 of the men and women depicted in the		
	330:01 campaign, especially when adjoined with the		
	330:02 design."		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	<p>330:03 Do you see that?</p> <p>330:04 A. I do.</p> <p>330:05 Q. And the Campaign for</p> <p>330:06 Tobacco-Free Kids is a nonprofit that</p> <p>330:07 advocates against tobacco use by youth,</p> <p>330:08 correct?</p> <p>330:09 A. It does.</p> <p>330:10 Q. And the ad campaign that he</p> <p>330:11 references included the Vaporized campaign</p> <p>330:12 which, as we just discussed at length, drew</p> <p>330:13 some criticisms, right?</p> <p>330:14 A. Yeah.</p>		
330:15 - 330:21	Valani, Riaz 2021-09-30_WIT	00:00:14	VR_v13.42
⌚ VALANI40090.	<p>330:15 Q. Mr. Schachter notes,</p> <p>1.3</p> <p>330:16 "especially when adjoined with the design."</p> <p>330:17 And so what he's pointing out</p> <p>330:18 is that it's not just the youthfulness of the</p> <p>330:19 people in the campaign but also the design of</p> <p>330:20 the product that's causing him concern,</p> <p>330:21 correct?</p>		
330:23 - 331:11	Valani, Riaz 2021-09-30_WIT	00:00:30	VR_v13.43
⌚ VALANI40090.	<p>330:23 THE WITNESS: I see that.</p> <p>330:24 QUESTIONS BY MS. SHARP:</p> <p>330:25 Q. And July 2, 2015, is pretty</p> <p>331:01 much exactly one month after JUUL launched,</p> <p>331:02 right?</p> <p>331:03 A. Yes.</p> <p>331:04 Q. The article goes on,</p> <p>1.4</p> <p>331:05 "Mr. Schachter said the organization has</p> <p>331:06 noticed obvious trends that appeal to</p> <p>331:07 adolescents in e-cigarette campaigns, such as</p> <p>331:08 celebrity endorsements, sponsorships and</p> <p>331:09 various flavors."</p> <p>331:10 Did I read that correctly?</p> <p>331:11 A. Yes.</p>		
331:23 - 332:03	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.44
	<p>331:23 QUESTIONS BY MS. SHARP:</p> <p>331:24 Q. And this is in 2015, so just</p>		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	331:25 one month after the campaign launched. But 332:01 your testimony earlier was that you didn't 332:02 become really aware of youth usage until 2017 332:03 at the earliest; is that right?		
332:05 - 332:15	Valani, Riaz 2021-09-30_WIT	00:00:26	VR_v13.45
	332:05 THE WITNESS: When I said that, 332:06 I was saying that as relates to JUUL 332:07 products and not a blanket statement 332:08 regarding the industry. 332:09 And I do think that there were 332:10 many industry participants that were 332:11 highly responsible. 332:12 QUESTIONS BY MS. SHARP: 332:13 Q. Mr. Schachter, the portion of 332:14 this article it cited, though, expressly 332:15 calls out the JUUL campaign, right?		
332:17 - 333:09	Valani, Riaz 2021-09-30_WIT	00:00:46	VR_v13.46
⌚ VALANI40090.	332:17 THE WITNESS: He made this 332:18 statement, this quote. At least it 1.5 332:19 says here, "We're seeing more and more 332:20 irresponsible marketing of unregulated 332:21 products such as e-cigarettes" that he 332:22 wrote in a statement about the JUUL 332:23 campaign. So, yeah, maybe he was 332:24 referencing it. 332:25 We didn't like the criticism. 333:01 QUESTIONS BY MS. SHARP: 333:02 Q. At the very bottom of the ⌚ VALANI40090. 333:03 snippet Mr. Frankel sent, it says, "Mr. Mumby 1.6 333:04 claims PAX's distinct flavors, tabaac, miint, 333:05 fruut and bruulA, will appeal to adults." 333:06 We discussed Richard Mumby was 333:07 the chief marketing guy at the company at 333:08 that time, right? 333:09 A. Yes.		
333:15 - 334:15	Valani, Riaz 2021-09-30_WIT	00:00:58	VR_v13.47
	333:15 Q. Let's read up in the e-mail 333:16 chain just a little bit.		

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DESIGNATION	SOURCE	DURATION	ID
🔗 VALANI40090.	333:17 And Mr. Pritzker writes, "I 1.7 333:18 didn't. Why the fuck do we want to be on 333:19 their radar screen?" 333:20 Right? 333:21 A. Yes.		
🔗 VALANI40090.	333:22 Q. And he says, "Also, I think we 1.8 333:23 need to exercise common sense on flavors. 333:24 Tabaac, yes; tutti fruity, no. Let's figure 333:25 out where to draw the line." 334:01 Right? 334:02 A. Yes.		
🔗 VALANI40090.	334:03 Q. And you write back, again on 1.9 334:04 July 22, 2015, "I like Richard, but 334:05 highlighting a stated weakness of ours is 334:06 idiotic." 334:07 Right? 334:08 A. I did. 334:09 Q. And "Richard" is Richard Mumby. 334:10 And he is referring to flavors in his quote 334:11 in the article, correct? 334:12 A. He is. 334:13 Q. So the stated weakness that 334:14 you're referring to in your e-mail is the use 334:15 of flavors in the JUUL products, right?		
334:18 - 334:21	Valani, Riaz 2021-09-30_WIT	00:00:11	VR_v13.48
	334:18 THE WITNESS: I don't think 334:19 that that's what I -- I did see this 334:20 document in my prep, and I -- I'm not 334:21 sure what I meant on that.		
335:09 - 335:12	Valani, Riaz 2021-09-30_WIT	00:00:06	VR_v13.49
	335:09 My question is, what did you 335:10 mean here when you said, "I like Richard, but 335:11 highlighting a stated weakness of ours is 335:12 idiotic"?		
335:18 - 335:21	Valani, Riaz 2021-09-30_WIT	00:00:11	VR_v13.50
	335:18 A. You know, it was a glib remark 335:19 on my part and, frankly, I'm -- when I went		

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DESIGNATION	SOURCE	DURATION	ID
	335:20 back and read this in my -- in my prep, I'm 335:21 not sure what I meant at the time.		
335:22 - 336:16	Valani, Riaz 2021-09-30_WIT	00:00:51	VR_v13.51
	335:22 Q. And your testimony is that it's 335:23 not clear on the face of the document that 335:24 stated weakness refers to the flavors that 335:25 were available in JUUL at the time, correct? 336:01 A. I heard what you're alleging, 336:02 so I understand where you're coming from. 336:03 Q. Right. 336:04 But -- I don't mean to be 336:05 difficult, but my question is a bit 336:06 different, which is that it is your testimony 336:07 here under oath that it's not clear on the 336:08 face of this document that when you say 336:09 "stated weakness," what you're referring to 336:10 is the fact that JUUL had multiple flavors on 336:11 the market at the time when it launched in 336:12 June of 2015. 336:13 A. I didn't think that that flavor 336:14 portfolio was particularly youth-focused. 336:15 So, yes, I actually don't know -- yeah, I 336:16 don't know what I meant in hindsight.		
337:18 - 338:04	Valani, Riaz 2021-09-30_WIT	00:00:40	VR_v13.52
<input checked="" type="checkbox"/> Clear	337:18 Q. Were you part of the decision 337:19 to take flavors off the market? 337:20 A. I was. 337:21 Q. Was it a board-level decision? 337:22 A. The management team consulted 337:23 the board on the action plan in response to 337:24 the -- the NYTS data that was released. And 337:25 I don't think it was a board decision, but 338:01 the board was consulted. 338:02 Q. Who made the ultimate call to 338:03 pull the flavors? 338:04 A. I think the CEO, Kevin Burns.		
338:07 - 338:20	Valani, Riaz 2021-09-30_WIT	00:00:45	VR_v13.53
	338:07 Those flavors didn't come off 338:08 the market until more than three years after 338:09 this -- after you sent this e-mail about a		

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DESIGNATION	SOURCE	DURATION	ID
	<p>338:10 stated weakness of ours, right?</p> <p>338:11 A. That's true. I mean, at the</p> <p>338:12 same time, mango -- mango produced a lot of</p> <p>338:13 revenue, but fruit and crhme br[lie were a</p> <p>338:14 very de minimis selling product. I think, in</p> <p>338:15 fact, they didn't sell much at all, so...</p> <p>338:16 Q. Mango was popular, though,</p> <p>338:17 right? You said?</p> <p>338:18 A. It was popular.</p> <p>338:19 Q. And mint, too, correct?</p> <p>338:20 A. It was popular.</p>		
338:24 - 339:04	Valani, Riaz 2021-09-30_WIT	00:00:12	VR_v13.54
	<p>338:24 Q. And you mentioned earlier that</p> <p>338:25 there were two different times that flavors</p> <p>339:01 came off the market, and that's because mint</p> <p>339:02 didn't come off the market until 2019,</p> <p>339:03 correct?</p> <p>339:04 A. That is correct.</p>		
363:17 - 364:01	Valani, Riaz 2021-09-30_WIT	00:00:30	VR_v13.55
🔗 BOWEN11125.	<p>363:17 Q. You're being shown the Surgeon</p> <p>1.1</p> <p>363:18 General's advisory on e-cigarette use among</p> <p>363:19 youth. This is actually a previously marked</p> <p>363:20 exhibit at 11125.</p> <p>363:21 And I'll direct your attention</p> <p>363:22 to the -- right where the page break is,</p>		
🔗 BOWEN11125.	<p>1.3</p> <p>363:23 starting with, "One of the most commonly</p> <p>363:24 sold."</p> <p>363:25 And I should provide a date for</p> <p>364:01 this. This is a 2018 advisory.</p>		
365:04 - 365:07	Valani, Riaz 2021-09-30_WIT	00:00:14	VR_v13.56
☒ Clear	<p>365:04 Q. But there's no doubt that JUUL</p> <p>365:05 took off, at least in 2016 and 2017, right?</p> <p>365:06 A. Yeah. Probably a huge number</p> <p>365:07 of adults purchasing the product.</p>		
365:16 - 365:24	Valani, Riaz 2021-09-30_WIT	00:00:28	VR_v13.57
	<p>365:16 And the rapid rise in youth</p> <p>365:17 e-cigarette use coincided with JUUL's rapid</p>		

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DESIGNATION	SOURCE	DURATION	ID
	365:18 rise in sales, right? 365:19 A. No. That was actually my 365:20 point, which is that you really saw a massive 365:21 increase in youth usage in the 2018 NYTS 365:22 data, and that in 2016 and 2017 NYTS data 365:23 reported a decrease. At least to the best of 365:24 my knowledge. And again, I'm no expert.		
366:01 - 366:03	Valani, Riaz 2021-09-30_WIT	00:00:06	VR_v13.58
	366:01 A. in 366:02 2016, 2017, NYTS reported a decrease in youth 366:03 usage of the category generally.		
366:12 - 366:15	Valani, Riaz 2021-09-30_WIT	00:00:13	VR_v13.59
	366:12 We can agree that the Surgeon 366:13 General had singled out JUUL as contributing 366:14 significantly to an increase of e-cigarette 366:15 use among youth, right?		
366:18 - 367:03	Valani, Riaz 2021-09-30_WIT	00:00:29	VR_v13.60
	366:18 THE WITNESS: I believe this 366:19 was after the 2018 youth NYTS data had 366:20 been released, and JUUL was the market 366:21 leader in the e-cig category. So -- 366:22 [audio interruption] what you're 366:23 saying. 366:24 QUESTIONS BY MS. SHARP: 366:25 Q. And just to place us in time, 367:01 December 2018 is also when the private equity 367:02 deal with Altria and JUUL closed, correct? 367:03 A. It was.		
474:08 - 474:12	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.61
	474:08 There were management changes 474:09 that happened at the company in October 474:10 of 2015, right? 474:11 A. Yeah, per our discussion just 474:12 now.		
474:14 - 474:21	Valani, Riaz 2021-10-01_WIT	00:00:16	VR_v13.62
	474:14 And one of the things that 474:15 happened was that Scott Dunlap left the 474:16 company, right? 474:17 A. Yes.		

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DESIGNATION	SOURCE	DURATION	ID
	474:18 Q. And another thing that happened 474:19 is that Mr. Monsees took on a role other than 474:20 CEO, correct? 474:21 A. That's correct.		
479:09 - 479:09	Valani, Riaz 2021-10-01_WIT	00:00:03	VR_v13.63
	479:09 let's pull up Tab 67, please.		
479:10 - 479:11	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.64
	479:10 A. Is this 40100? 479:11 DAN LAWLOR: Correct.		
479:12 - 479:17	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.65
	479:12 QUESTIONS BY MS. SHARP: ⌚ VALANI40100. 479:13 Q. All right. 40100 is an e-mail		
1.1	479:14 from James Monsees to the board and several 479:15 other people, and the subject is 479:16 "Organizational update," correct? 479:17 A. Yeah.		
480:12 - 481:12	Valani, Riaz 2021-10-01_WIT	00:01:00	VR_v13.66
⌚ VALANI40100.	480:12 Q. Okay. Under number 2 it says,		
1.2	480:13 "New CEO search initiated." And Mr. Monsees 480:14 is explaining what's happening there.		
⌚ VALANI40100.	480:15 He writes, "However, we have		
1.3	480:16 identified a number of short-term operational 480:17 changes [sic] in response to the" -- excuse 480:18 me -- "short-term operational challenges. In 480:19 response to these challenges and to usher in 480:20 the next phase of growth for the business, 480:21 I'll be stepping down as CEO." 480:22 Right? 480:23 A. I see the sentence. 480:24 Q. And then down underneath		
⌚ VALANI40100.	480:25 paragraph number 3 regarding the creation of		
1.4	481:01 management committees, he writes, "Until a 481:02 new CEO is found, the board has created two 481:03 new committees. A board executive committee 481:04 has been formed to provide more consistent		

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DESIGNATION	SOURCE	DURATION	ID
	481:05 and focused direction to the company. Board 481:06 members Nick Pritzker, Hoyoung Huh and Riaz 481:07 Valani are the board executive committee 481:08 members, with Mr. Huh serving as executive 481:09 chairman and Mr. Pritzker as co-chairman." 481:10 And that is, in fact, 481:11 consistent with reality in terms of what 481:12 happened in October of 2015, correct?		
481:14 - 481:20	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.67
	481:14 THE WITNESS: I mean, I read it 481:15 here, so... 481:16 QUESTIONS BY MS. SHARP: 481:17 Q. Is it what happened? 481:18 And the board executive 481:19 committee was formed in October, right? 481:20 A. It was.		
484:06 - 484:09	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.68
	484:06 Q. And the executive committee, as 484:07 he says, was formed to provide more 484:08 consistent and focused direction to the 484:09 company, correct?		
484:11 - 484:12	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.69
	484:11 THE WITNESS: I see the words 484:12 that he used.		
531:19 - 532:08	Valani, Riaz 2021-10-01_WIT	00:00:25	VR_v13.70
☒ Clear	531:19 Q. Good afternoon, 531:20 Mr. Valani. 531:21 How you doing? 531:22 A. Good. Hi, Mr. Gdanski. 531:23 Q. Good. So my name is John 531:24 Gdanski. We've not met. 531:25 Let me just explain to you this 532:01 sort of transition process. 532:02 Ms. Sharp was asking you some 532:03 questions, and I'm going to now ask you 532:04 questions, but it's all part of the same 532:05 deposition, and you remain under oath in the 532:06 same fashion. 532:07 Okay?		

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DESIGNATION	SOURCE	DURATION	ID
	532:08 A. Okay.		
559:20 - 559:23	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.71
	559:20 Q. Before you got into Ploom,		
	559:21 which became JUUL, you had nothing to do with		
	559:22 the tobacco industry, true?		
	559:23 A. That's correct.		
563:16 - 563:20	Valani, Riaz 2021-10-01_WIT	00:00:16	VR_v13.72
	563:16 It wasn't very long after you		
	563:17 first invested in Ploom that you and the		
	563:18 company were looking to partner with the		
	563:19 tobacco industry that you already knew had a		
	563:20 controversial reputation, correct?		
563:23 - 564:02	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.73
	563:23 THE WITNESS: Yeah, I mean, I		
	563:24 did go meet with -- with some of the		
	563:25 large tobacco companies to see if		
	564:01 there would be a suitable dialogue		
	564:02 between them and Ploom.		
564:04 - 564:12	Valani, Riaz 2021-10-01_WIT	00:00:12	VR_v13.74
	564:04 Q. can you		
	564:05 remember offhand when it was that you first		
	564:06 went to go meet with tobacco companies to see		
	564:07 if they were interested in partnering with		
	564:08 Ploom?		
	564:09 A. It feels like 2008 or 2009.		
	564:10 (Valani Exhibit 40103 marked		
	564:11 for identification.)		
	564:12 QUESTIONS BY MR. GDANSKI:		
564:13 - 564:14	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.75
	564:13 Q. Let's take a look,		
	564:14 please, at Document 84.		
564:19 - 564:22	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.76
⌚ VALANI40103.	564:19 DAN LAWLOR: This is		
1.1			
	564:20 Exhibit 40103.		
	564:21 QUESTIONS BY MR. GDANSKI:		
	564:22 Q. Thank you.		
565:14 - 565:24	Valani, Riaz 2021-10-01_WIT	00:00:27	VR_v13.77

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DESIGNATION	SOURCE	DURATION	ID
🔗 VALANI40103.	565:14 If you go to the second page, you'll 2.1		VR_v13.77
🔗 VALANI40103.	565:15 see that there is an e-mail from March 27, 2.2 565:16 2009, and there's attendees from Ploom at a 565:17 meeting, and it's Adam Bowen, James Monsees, 565:18 Riaz Valani, Gal Cohen. 565:19 Do you see that? 565:20 A. Yes. 565:21 Q. Okay. Do you remember going to 565:22 meet in 2009 with people at Altria in 565:23 Richmond, Virginia? 565:24 A. I do.		
565:25 - 566:03	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.78
	565:25 Q. Was this the first tobacco 566:01 company you met with amongst the bunch, or 566:02 was there any that preceded this? 566:03 A. I don't remember.		
566:22 - 567:02	Valani, Riaz 2021-10-01_WIT	00:00:15	VR_v13.79
☒ Clear	566:22 Q. And around this time you 566:23 had, meaning Ploom and individual employees 566:24 or investors like yourself, were having 566:25 meetings with all of the major tobacco 567:01 companies, both nationally and 567:02 internationally, correct?		
567:05 - 567:11	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.80
	567:05 THE WITNESS: And "all" is a 567:06 big number. I think we might have met 567:07 four or five of them. 567:08 QUESTIONS BY MR. GDANSKI: 567:09 Q. How does eight sound? Does 567:10 that sound about right? 567:11 A. Sounds too high.		
567:15 - 567:17	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.81
	567:15 can you 567:16 just tell me what the purpose of your meeting 567:17 with folks at Altria was in 2009?		
569:04 - 569:18	Valani, Riaz 2021-10-01_WIT	00:00:46	VR_v13.82
	569:04 The idea was that if these		

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DESIGNATION	SOURCE	DURATION	ID
	<p>569:05 companies are spending a ton of resources</p> <p>569:06 trying to develop reduced-risk products,</p> <p>569:07 there might be a world where there would be</p> <p>569:08 collaboration potential where Ploom and, you</p> <p>569:09 know, brilliant engineers with kind of an</p> <p>569:10 empathic product focus, you know, would be</p> <p>569:11 able to -- if you do it better than they were</p> <p>569:12 able to do, because they had innovative ideas</p> <p>569:13 on how to go about it.</p> <p>569:14 So I think the conversations</p> <p>569:15 were really exploratory. They really didn't</p> <p>569:16 lead anywhere at the time, and it was</p> <p>569:17 interesting to see their efforts that they</p> <p>569:18 were making to develop reduced-risk products.</p>		
571:11 - 571:17	Valani, Riaz 2021-10-01_WIT	00:00:15	VR_v13.83
	<p>571:11 Q. In 2009, you wanted to partner</p> <p>571:12 with one of the big tobacco companies, right?</p> <p>571:13 A. These were exploratory</p> <p>571:14 meetings, so I don't know that I had a clear</p> <p>571:15 sense of intent.</p> <p>571:16 Q. All right. If we could take a</p> <p>571:17 look at number 159, please.</p>		
571:18 - 571:22	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.84
🔗 VALANI40104.	<p>571:18 DAN LAWLOR: Exhibit 40104.</p> <p>1.1</p> <p>571:19 (Valani Exhibit 40104 marked</p> <p>571:20 for identification.)</p> <p>571:21 QUESTIONS BY MR. GDANSKI:</p> <p>571:22 Q. Thank you.</p>		
571:23 - 572:10	Valani, Riaz 2021-10-01_WIT	00:00:24	VR_v13.85
🔗 VALANI40104.	<p>571:23 And take a look at it. You'll</p> <p>571:24 see it's a string of e-mails including you,</p> <p>1.2</p> <p>571:25 Adam Bowen and Gal Cohen.</p> <p>572:01 Do you see that?</p> <p>572:02 A. Yes.</p> <p>572:03 Q. And the subject matter is</p> <p>572:04 "Big 8 status."</p> <p>572:05 Right?</p> <p>572:06 A. I do see that.</p>		

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DESIGNATION	SOURCE	DURATION	ID
	572:07 Q. And the date is from May 19, 572:08 2009. 572:09 Do you see that? 572:10 A. I do.		
572:11 - 572:20	Valani, Riaz 2021-10-01_WIT	00:00:25	VR_v13.86
🔗 VALANI40104.	572:11 Q. Okay. And if you go down to 572:12 the initial e-mail, which is at the end 1.3 572:13 because it's in reverse sequence, the first 572:14 one is from Adam Bowen to you, Riaz Valani, 572:15 and Gal Cohen, right? 572:16 A. I see that.		
🔗 VALANI40104.	572:17 Q. He says, "The biggest question 2.1 572:18 is what's next step with JT." 572:19 That's Japan Tobacco, right? 572:20 A. Yes.		
572:21 - 573:11	Valani, Riaz 2021-10-01_WIT	00:00:39	VR_v13.87
🔗 VALANI40104.	572:21 Q. And then Adam Bowen at that 572:22 time lists out as early as 2009 the status of 2.2 572:23 the conversations and meetings with Philip 572:24 Morris International, British American 572:25 Tobacco Company, Imperial Tobacco company, 573:01 Japan Tobacco company, Swedish Match tobacco 573:02 company, R.J. Reynolds Tobacco Company, 573:03 Lorillard Tobacco Company, and Altria, which 573:04 is the owner of Philip Morris USA, the maker 573:05 of Marlboro, right? 573:06 A. Yeah, I don't think they all 573:07 have "tobacco company" at the end of their 573:08 names. 573:09 Q. Well, they're all tobacco 573:10 companies, right? 573:11 A. They are.		
573:17 - 573:23	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.88
	573:17 Q. Do you know what BAT stands 573:18 for? 573:19 A. British American Tobacco. 573:20 Q. All right. And you're not		

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DESIGNATION	SOURCE	DURATION	ID
	573:21 disputing at all these are companies that are 573:22 tobacco companies, are you? 573:23 A. That's correct.		
574:12 - 574:25	Valani, Riaz 2021-10-01_WIT	00:00:40	VR_v13.89
	574:12 It's true at some point in time 574:13 Ploom had a relationship with Japan Tobacco, 574:14 right? 574:15 A. Yeah, so not coming out of this series of discussions, but -- yeah. But in 574:17 2010, Japan Tobacco did enter an arrangement 574:18 with -- with Ploom. 574:19 Q. Okay. And what was the 574:20 arrangement? 574:21 A. They invested some capital as a 574:22 minority investor in Ploom, and they agreed 574:23 to distribute Ploom's product line 574:24 internationally if the products were 574:25 developed.		
575:01 - 575:03	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.90
	575:01 Q. Okay. Were there any other 575:02 companies, other than Altria here, that you 575:03 went and had meetings with?		
575:06 - 575:19	Valani, Riaz 2021-10-01_WIT	00:00:29	VR_v13.91
	575:06 THE WITNESS: Yeah, I think I 575:07 might have joined for discussions -- 575:08 it's a long time ago, but I think 575:09 might have joined for discussions with 575:10 PMI and BAT and RJR. 575:11 QUESTIONS BY MR. GDANSKI: 575:12 Q. Okay. And Phillip -- PMI 575:13 stands for Philip Morris International, 575:14 right? 575:15 A. That's correct. 575:16 Q. And you know at that time they 575:17 were a separate entity than Altria, but they 575:18 used to be one entity, right? 575:19 A. That's correct.		
580:23 - 581:02	Valani, Riaz 2021-10-01_WIT	00:00:24	VR_v13.92
 Clear	580:23 Q. So from 2000 -- from		

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DESIGNATION	SOURCE	DURATION	ID
	580:24 2008 or '9 going forward into the present 580:25 day, essentially, JUUL has been constantly in 581:01 different relationships with the tobacco 581:02 industry, true?		
581:06 - 581:11	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.93
	581:06 THE WITNESS: Yeah, I don't 581:07 agree with that statement. 581:08 QUESTIONS BY MR. GDANSKI: 581:09 Q. Well, in 2009 you're meeting 581:10 with them to try to see about possible 581:11 partnerships or working together, right?		
581:14 - 581:23	Valani, Riaz 2021-10-01_WIT	00:00:21	VR_v13.94
	581:14 THE WITNESS: 2009, there were 581:15 some exploratory discussions that were 581:16 held. 581:17 QUESTIONS BY MR. GDANSKI: 581:18 Q. 2018, Altria invested 581:19 \$12.8 billion in the company, right? 581:20 A. Yes. 581:21 Q. In 2017, you were negotiating 581:22 with R.J. Reynolds Tobacco Company, right? 581:23 A. I talked to them.		
582:02 - 582:06	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.95
	582:02 Q. About an investment in JUUL, 582:03 right? 582:04 A. Yes, we talked to them. 582:05 Q. 2010, you took money from Japan 582:06 Tobacco, right?		
582:09 - 582:13	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.96
	582:09 THE WITNESS: Yes. 582:10 QUESTIONS BY MR. GDANSKI: 582:11 Q. 2019, you met with Altria and 582:12 Philip Morris International, right? 582:13 A. Yes.		
583:14 - 583:18	Valani, Riaz 2021-10-01_WIT	00:00:03	VR_v13.97
	583:14 (Valani Exhibit 40105 marked 583:15 for identification.) 583:16 QUESTIONS BY MR. GDANSKI: 583:17 Q. Okay. Let's take a look at		

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DESIGNATION	SOURCE	DURATION	ID
	583:18 number 161.		
584:09 - 584:13	Valani, Riaz 2021-10-01_WIT	00:00:14	VR_v13.98
	584:09 In 2009, Ploom was negotiating		
	584:10 and talking with tobacco companies because		
	584:11 there was a recognition within Ploom that		
	584:12 Ploom could help those companies maintain the		
	584:13 youth culture market, true?		
584:16 - 584:19	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.99
	584:16 THE WITNESS: Absolutely not.		
	584:17 QUESTIONS BY MR. GDANSKI:		
⌚ VALANI40105.	584:18 Q. Okay. Let's take a look at the		
1.1			
	584:19 document that we have up on the screen here.		
584:23 - 585:02	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.100
⌚ VALANI40105.	584:23 if you just go to the top,		
1.2			
	584:24 do you see at the very top it's a string of		
	584:25 e-mails between you, Riaz Valani, and James		
	585:01 Monsees?		
	585:02 Do you see that?		
585:10 - 585:10	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.101
	585:10 A. I see it.		
586:22 - 587:08	Valani, Riaz 2021-10-01_WIT	00:00:32	VR_v13.102
	586:22 And if we go down on		
	586:23 this version of the document -- yeah, keep		
	586:24 going down a little bit. Thank you.		
⌚ VALANI40105.	586:25 It's the e-mail from James		
1.3			
	587:01 Monsees, right there, on November the 10th,		
	587:02 Tuesday, at ten o'clock.		
	587:03 Do you see that e-mail?		
	587:04 A. I do.		
	587:05 Q. Okay. And you're copied on it		
	587:06 as a recipient, right?		
	587:07 Do you see that?		
	587:08 A. I am.		
590:07 - 590:20	Valani, Riaz 2021-10-01_WIT	00:00:38	VR_v13.103
	590:07 Q. My question is, when you have		
	590:08 these meetings with the big 8 tobacco		

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DESIGNATION	SOURCE	DURATION	ID
	<p>590:09 companies, one thing that you want to try to 590:10 accomplish is to explain what Ploom brings to 590:11 the table, why Ploom adds value, right? 590:12 A. Well, the whole purpose behind 590:13 Ploom's existence and Ploom going to see them 590:14 was to show that a product can replace 590:15 cigarettes, and there was a sentiment that 590:16 the original Ploom technology platform would 590:17 be able to do that. 590:18 Q. Is that what Mr. Monsees writes 590:19 in the next paragraph? 590:20 A. Well, why don't you read it.</p>		
591:03 - 591:22	Valani, Riaz 2021-10-01_WIT	00:00:55	VR_v13.104
	<p>591:03 So go ahead and read, please, 591:04 to this jury what Mr. Monsees wrote to you in 591:05 November of 2009.</p>		
⌚ VALANI40105.	<p>591:06 A. "I think where Ploom comes in 1.4 591:07 for them is maintaining the youth culture 591:08 market. Where do the young Camel Light 591:09 smokers go? Snus seemed to be an attempt at 591:10 that but didn't play out well in Austin, 591:11 Portland, et cetera, which raises a question: 591:12 Does RAI just want to be a good ole boy 591:13 company who wants to be stamped as the 591:14 innovator" -- 591:15 Q. Let's go back to the left-hand 591:16 side, please. 591:17 A. -- "in the brave new tobacco 591:18 world." 591:19 Q. "The brave new tobacco world." 591:20 That's the truth, right? Ploom 591:21 came in to help maintain the youth culture 591:22 market for the tobacco industry.</p>		
592:02 - 592:04	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.105
	<p>592:02 Q. Is that right? 592:03 A. No, not my understanding, but I 592:04 do see what James wrote here.</p>		
620:05 - 620:08	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.106
<input checked="" type="checkbox"/> Clear	620:05 (Valani Exhibit 40107 marked)		

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DESIGNATION	SOURCE	DURATION	ID
	620:06 for identification.) 620:07 QUESTIONS BY MR. GDANSKI: 620:08 Q. Okay. And then in 2017 -- one		
620:09 - 620:10	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.107
	620:09 second. In 2017 -- if we could take a look 620:10 at number 167, please, Document 167.		
620:22 - 620:23	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.108
	620:22 In 2017 you started to talk to 620:23 the big tobacco companies again, right?		
621:01 - 621:03	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.109
	621:01 THE WITNESS: Yeah. Yeah, I 621:02 mean, to be clear, I think Altria was 621:03 very focused on talking to JUUL.		
621:16 - 622:08	Valani, Riaz 2021-10-01_WIT	00:00:38	VR_v13.110
🔗 VALANI40107.	621:16 Q. June of 2017, Dinyar Devitre 1.2 621:17 sends you an e-mail and copies Billy Gifford. 621:18 Do you see that? 621:19 A. I do. 621:20 Q. Okay. And Dinyar Devitre is a 621:21 long-time employee of Philip Morris-related 621:22 companies, correct? 621:23 A. Was. He's a board member of 621:24 Altria now. 621:25 Q. He's currently a board member 622:01 of Altria, and he was a board member in 622:02 October -- in June of 2017 of Altria, right? 622:03 A. That's correct. 622:04 Q. But he has something like a 30 622:05 to 40-year history of working for 622:06 Altria/Philip Morris-related companies, 622:07 right? 622:08 A. He did.		
623:07 - 623:16	Valani, Riaz 2021-10-01_WIT	00:00:19	VR_v13.111
	623:07 so Dinyar Devitre reaches out to you 623:08 in June of 2017, and this is the same 623:09 individual who you'd been in touch with in 623:10 2009. 623:11 Remember that?		

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DESIGNATION	SOURCE	DURATION	ID
	623:12 A. I do. 623:13 Q. And since then, you and 623:14 Mr. Devitre have developed somewhat of a 623:15 close, personal friendship, right? 623:16 A. We are friends.		
624:07 - 625:03 ⌚ VALANI40107.	Valani, Riaz 2021-10-01_WIT 624:07 Q. Okay. He writes here, "Further 1.3 624:08 to our conversation, this will introduce you 624:09 to Billy Gifford, CFO, Altria Group, Inc." 624:10 Do you see that? 624:11 A. I do. 624:12 Q. Do you remember the 624:13 conversation that preceded this e-mail? 624:14 A. Yeah, I had seen him in 624:15 New York. 624:16 Q. And what happened? 624:17 A. Well, it was just a general 624:18 catchup. And he is kind of a senior, 624:19 respected person in -- in the Indian 624:20 community and in the tobacco industry and 624:21 consumer products industry. And so I spent 624:22 some time with him and, you know, just 624:23 general discussion. 624:24 Q. About JUUL or just life? 624:25 A. I think -- I mean, obviously, 625:01 you know, he understood my involvement with 625:02 JUUL, but I think it was a more, you know, 625:03 wide-ranging conversation.	00:00:58	VR_v13.112
625:16 - 626:13	Valani, Riaz 2021-10-01_WIT 625:16 Q. Okay. Well, he says, "Further 625:17 to our discussion" -- or, sorry. "Further to 625:18 our conversation." 625:19 So was there a conversation 625:20 about linking you up or putting you in touch 625:21 with some senior executive at Altria? 625:22 A. Well, I think Altria had met 625:23 with some executives at JUUL earlier in the 625:24 year, and I don't think the discussions 625:25 really went anywhere.	00:01:18	VR_v13.113

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DESIGNATION	SOURCE	DURATION	ID
	<p>626:01 And I also knew a banker who 626:02 represented -- or whose firm had represented 626:03 Altria who was based in London. You know, he 626:04 had kind of encouraged JUUL and Altria to sit 626:05 down, and I was a bit reticent to do that. 626:06 And then Dinny had called me 626:07 and asked if we'd be open to take a meeting, 626:08 and I really didn't want to tell him no, and 626:09 so I agreed to meet with the Billy Gifford 626:10 and Howard Willard.</p> <p>626:11 Q. Why wouldn't you just say, I'm 626:12 only an investor, reach out to management?</p> <p>626:13 A. Yeah, I didn't at the time.</p>		
626:14 - 627:03	Valani, Riaz 2021-10-01_WIT	00:00:36	VR_v13.114
⌚ VALANI40107.	<p>626:14 Q. Okay. And you actually 1.4 626:15 forwarded the e-mail, if you go up, to Zach 626:16 Frankel and Nick Pritzker, right?</p> <p>626:17 A. I did.</p> <p>626:18 Q. And then Nick Pritzker -- Nick 1.5 626:19 Pritzker writes back to you. He says, "Tiger by the tail."</p> <p>626:20 Do you see that?</p> <p>626:21 A. I do.</p> <p>626:22 Q. What does that mean to you?</p> <p>626:23 A. I think he said maybe he'd -- 626:24 you'd have to ask him, but to me it meant 626:25 that -- I thought it was interesting that a 627:01 large company in the space was interested in 627:02 our company.</p>		
630:10 - 630:13	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.115
⌚ VALANI40107.	<p>630:10 So when Nick Pritzker writes 1.6 630:11 "Tiger by the tail," you respond, "Wild..."</p> <p>630:12 Do you see that?</p> <p>630:13 A. I do.</p>		
630:24 - 631:12	Valani, Riaz 2021-10-01_WIT	00:00:36	VR_v13.116
	<p>630:24 What do you mean by "wild"?</p> <p>630:25 A. I mean, at the time it was</p>		

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DESIGNATION	SOURCE	DURATION	ID
	<p>631:01 like -- it was an odd moment in time, right, 631:02 because I think there had been several 631:03 overtures that had been made and, you know, 631:04 and frequently in these types of overtures, 631:05 you know, you kind of dismiss them. But it 631:06 was interesting, right, that the largest 631:07 company in the space, you know, taking notice 631:08 of -- had taken notice of JUUL like this and 631:09 had made such a concerted effort to try and 631:10 start a dialogue.</p> <p>631:11 Q. Right.</p> <p>631:12 A. It was notable.</p>		
632:14 - 632:15	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.117
Clear	<p>632:14 Q. Let's take a look, 632:15 please, at 168.</p>		
632:20 - 633:12	Valani, Riaz 2021-10-01_WIT	00:00:40	VR_v13.118
	<p>632:20 QUESTIONS BY MR. GDANSKI:</p> <p>632:21 Q. If you go down to the bottom of 1.1</p> <p>632:22 the e-mail, you send an e-mail to Nick 632:23 Pritzker on July 21, 2017, and you put a 632:24 hyperlink in for the leadership page at 632:25 Altria.</p> <p>633:01 And then you say, "Dinny just 633:02 called, stressing that Altria and PMI would 633:03 be great partners for us. Said we look 633:04 forward to building a relationship. Howard, 633:05 the COO, and Billy, the CFO, are coming 633:06 Friday, 10:30."</p> <p>633:07 Do you see that?</p> <p>633:08 A. Yes.</p> <p>633:09 Q. Okay. And what does 633:10 Mr. Pritzker respond?</p> <p>633:11 A. He says, "Honestly, that is 1.2</p> <p>633:12 fucking awesome."</p>		
634:17 - 634:20	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.119
	<p>634:17 Q. Did you think that it was 634:18 fucking awesome that Altria leadership was 634:19 expressing such an intense interest in JUUL</p>		

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DESIGNATION	SOURCE	DURATION	ID
	634:20 in July of 2017?		
634:22 - 634:25	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.120
	634:22 THE WITNESS: I thought it was		
	634:23 really interesting, and I was curious		
	634:24 to hear what they had to say.		
	634:25		
635:02 - 635:07	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.121
	635:02 Q. Right. I didn't -- interesting		
	635:03 is --		
	635:04 A. And to be clear, I was very		
	635:05 reticent about, you know -- you know, very		
	635:06 reticent about ever actually doing something		
	635:07 with them.		
635:13 - 635:19	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.122
Clear	635:13 (Valani Exhibit 40109 marked		
	635:14 for identification.)		
	635:15 QUESTIONS BY MR. GDANSKI:		
	635:16 Q. Okay. All right. I mean, for		
	635:17 example, let's take a look at -- this is now		
	635:18 July 27th. Let's go to number 38, please,		
	635:19 August 1st, a few days later.		
635:20 - 635:23	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.123
	635:20 At this point in time your		
	635:21 friendship with Mr. Devitre from Altria is		
	635:22 growing, right?		
	635:23 A. I was talking to him, yeah.		
639:11 - 640:01	Valani, Riaz 2021-10-01_WIT	00:00:30	VR_v13.124
	639:11 QUESTIONS BY MR. GDANSKI:		
VALANI40109.	639:12 Q. Okay. Here it's July of 2017.		
1.1			
	639:13 Mr. Devitre writes, "We had a nice talk with		
	639:14 Billy and Howard. Thank you. Will aim to		
	639:15 reconvene for further discussions, possibly		
	639:16 in Richmond, and will give some thought to		
	639:17 how we can possibly collaborate."		
	639:18 Do you see that?		
VALANI40109.	639:19 Sorry, you wrote that. I		
1.2			
	639:20 misspoke. You write that to Mr. Devitre,		

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DESIGNATION	SOURCE	DURATION	ID
	639:21 right? 639:22 A. I did. 639:23 Q. Okay. And you're referring to 639:24 Billy Gifford, the then CFO of Altria, now 639:25 CEO, right? 640:01 A. Yes.		
640:06 - 640:08	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.125
	640:06 And the Howard there is Howard 640:07 Willard, right? 640:08 A. Yes.		
641:12 - 641:25	Valani, Riaz 2021-10-01_WIT	00:00:37	VR_v13.126
	641:12 Mr. Willard was the CEO of 641:13 Altria in October and November and December 641:14 of 2018 when you negotiated the deal for JUUL 641:15 with Altria at that time, correct? 641:16 A. Yeah. But to be clear, there 641:17 were kind of ongoing stop-and-start 641:18 discussions that had taken place between the 641:19 companies in 2017 and 2018. 641:20 Q. Gotcha. 641:21 A. Yeah. So his role changed at 641:22 some point in the midst of that. 641:23 And I do think that he was CEO 641:24 by October of 2018, just to clarify, to 641:25 answer your question.		
642:03 - 642:04	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.127
🔗 VALANI40109. 1.3	642:03 And if we go up to the higher 642:04 part of this e-mail, please.		
642:05 - 642:07	Valani, Riaz 2021-10-01_WIT	00:00:07	VR_v13.128
	642:05 Dinny writes, "Smart move" to 642:06 you, right? 642:07 A. He does.		
687:07 - 687:09	Valani, Riaz 2021-10-01_WIT	00:00:11	VR_v13.129
☒ Clear	687:07 Q. you knew that a 687:08 majority of JUUL sales came from 687:09 nontobacco -- nontobacco flavor, right?		
687:12 - 687:20	Valani, Riaz 2021-10-01_WIT	00:00:17	VR_v13.130
	687:12 THE WITNESS: I did know that a		

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DESIGNATION	SOURCE	DURATION	ID
	<p>687:13 very large percentage of sales came</p> <p>687:14 from nontobacco flavors.</p> <p>687:15 QUESTIONS BY MR. GDANSKI:</p> <p>687:16 Q. Okay. And you knew, at least</p> <p>687:17 at this time in 2018 and going forward, the</p> <p>687:18 number one brand of JUUL sales was mango,</p> <p>687:19 right?</p> <p>687:20 A. I did.</p>		
688:22 - 689:12	Valani, Riaz 2021-10-01_WIT	00:00:37	VR_v13.131
	<p>688:22 Q. Well, remember in around</p> <p>688:23 the middle of 2018 Mr. Devitre asked you what</p> <p>688:24 portion of total sales of JUUL is nontobacco</p> <p>688:25 flavor?</p> <p>689:01 A. I don't remember him asking,</p> <p>689:02 but if you're telling me that he did, then I</p> <p>689:03 believe you.</p> <p>689:04 (Valani Exhibit 40112 marked</p> <p>689:05 for identification.)</p> <p>689:06 QUESTIONS BY MR. GDANSKI:</p> <p>689:07 Q. It's number 79. Let's take a</p> <p>689:08 look for one sec, please.</p> <p>689:09 A. Is that the exhibit?</p> <p>689:10 Q. 79 is the internal number. The</p> <p>689:11 exhibit is going to be the next-numbered</p> <p>689:12 exhibit number, which I think is 40112.</p>		
689:15 - 689:25	Valani, Riaz 2021-10-01_WIT	00:00:26	VR_v13.132
	<p>689:15 So just to orient us to time,</p> <p>689:16 June 2018, you had been on and off, back and</p> <p>689:17 forth, negotiations with Altria, right?</p> <p>689:18 A. I would say that we had a</p> <p>689:19 series of stop-and-start discussions.</p> <p>689:20 Q. Right.</p> <p>689:21 And prior to this e-mail, there</p> <p>689:22 were periods of time where it started and</p> <p>689:23 stopped and started again and stopped again,</p> <p>689:24 right?</p> <p>689:25 A. Yeah, common theme.</p>		
690:01 - 690:06	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.133
	<p>690:01 Q. And that sort of continued</p> <p>690:02 going forward through the summer, right?</p>		

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DESIGNATION	SOURCE	DURATION	ID
	690:03 A. I mean, it had gone -- yeah. I 690:04 mean, it was -- the entire period of 690:05 discussions with them was kind of a 690:06 start-and-stop discussion.		
690:07 - 690:09	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.134
	690:07 Q. And during that period of time, 690:08 you still maintained communication with 690:09 Mr. Devitre, correct?		
690:12 - 690:12	Valani, Riaz 2021-10-01_WIT	00:00:01	VR_v13.135
	690:12 THE WITNESS: Yeah.		
691:06 - 691:09	Valani, Riaz 2021-10-01_WIT	00:00:17	VR_v13.136
⌚ VALANI40112.	691:06 Q. One thing that Altria wanted to 1.2 691:07 understand from JUUL was exactly what 691:08 Mr. Devitre is asking you: How much of JUUL 691:09 sales is for nontobacco flavors, correct?		
691:12 - 691:13	Valani, Riaz 2021-10-01_WIT	00:00:03	VR_v13.137
	691:12 THE WITNESS: Well, I see in 691:13 the question that he's asking here.		
692:08 - 692:21	Valani, Riaz 2021-10-01_WIT	00:00:34	VR_v13.138
⌚ VALANI40112.	692:08 Q. You respond to 1.3 692:09 Mr. Devitre that "It's a majority. We can 692:10 discuss live when we next meet." 692:11 Right? 692:12 A. Yeah, I see that that's what I 692:13 responded. 692:14 Q. Okay. And what you're saying 692:15 is that the majority are nontobacco flavor or 692:16 a majority are mint? Because the subject is 692:17 mint percentage. 692:18 A. Well, I think a majority being 692:19 mint would have been the wrong answer at that 692:20 point in time, so likely I was responding to 692:21 the question in line.		
692:23 - 693:06	Valani, Riaz 2021-10-01_WIT	00:00:35	VR_v13.139
☒ Clear	692:23 At some point in 692:24 time JUUL removed from the market all flavors 692:25 other than mint, menthol and tobacco, right?		

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DESIGNATION	SOURCE	DURATION	ID
	693:01 A. Well, after the NYTS data came 693:02 out in September of 2018, JUUL made the 693:03 decision, which was consistent with the 693:04 regulator, with the FDA, to pull all these 693:05 flavored products, as there was a significant 693:06 uptick in youth usage.		
694:09 - 694:11	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.140
	694:09 Q. Okay. Mint, you know, stayed 694:10 on the market after the investment by Altria 694:11 in JUUL, correct?		
694:14 - 694:22	Valani, Riaz 2021-10-01_WIT	00:00:22	VR_v13.141
	694:14 THE WITNESS: Yeah, I mean, I 694:15 think you are clear that -- yeah, 694:16 that's the case, yeah. 694:17 QUESTIONS BY MR. GDANSKI: 694:18 Q. And mint is a product that 694:19 Altria actually -- are you aware that Altria 694:20 actually helped to increase the distribution 694:21 of the mint JUUL product after the investment 694:22 by Altria and JUUL?		
694:25 - 695:04	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.142
	694:25 THE WITNESS: There was a 695:01 limited period of time, to my 695:02 understanding, when Altria was 695:03 providing distribution support for 695:04 JUUL, and then that ceased.		
696:16 - 696:19	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.143
	696:16 was one of the 696:17 points that you needed Altria to understand 696:18 was that you weren't interested in selling to 696:19 Altria more than 50 percent of JUUL?		
696:21 - 696:22	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.144
	696:21 Yeah, I think it was important 696:22 that -- that control was not sold.		
696:23 - 697:05	Valani, Riaz 2021-10-01_WIT	00:00:25	VR_v13.145
	696:23 Q. And what does that mean, 696:24 "control not sold"? What do you mean by 696:25 that? 697:01 A. Well, I mean at various points		

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DESIGNATION	SOURCE	DURATION	ID
	697:02 in time in the discussion, you know, Altria 697:03 suggested that they would become an owner or 697:04 controlling shareholder of the business, 697:05 and -- and, yeah, that didn't happen.		
704:20 - 705:01	Valani, Riaz 2021-10-01_WIT	00:00:17	VR_v13.146
	704:20 You remember in September of 704:21 2018 Commissioner Gottlieb came out and said 704:22 that there was an epidemic of youth usage of 704:23 vapor products, right? 704:24 A. I do remember that. 704:25 Q. Do you disagree with 705:01 Commissioner Gottlieb on that issue?		
705:04 - 705:13	Valani, Riaz 2021-10-01_WIT	00:00:19	VR_v13.147
	705:04 THE WITNESS: He's a public 705:05 health expert, so I believe him. 705:06 I personally don't know the 705:07 standards for what constitutes a 705:08 epidemic or not. 705:09 QUESTIONS BY MR. GDANSKI: 705:10 Q. But you don't dispute that 705:11 there was a youth usage -- sorry. You don't 705:12 dispute that there was a significant youth 705:13 usage problem of JUUL, correct?		
705:16 - 706:08	Valani, Riaz 2021-10-01_WIT	00:00:27	VR_v13.148
	705:16 THE WITNESS: You've seen the 705:17 data. 705:18 QUESTIONS BY MR. GDANSKI: 705:19 Q. Say it again? 705:20 A. You've seen the data. 705:21 Q. You're asking if I've seen the 705:22 data? 705:23 A. I'm saying that you have seen 705:24 the data, so you know there was. 705:25 Q. Okay. I'm asking you to 706:01 confirm that there was a significant youth 706:02 usage problem with JUUL. 706:03 A. Oh, I see. Okay. 706:04 So I saw the data, the NYTS 706:05 data, and it -- it did illustrate that there 706:06 was a significant youth usage problem.		

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DESIGNATION	SOURCE	DURATION	ID
	706:07 Q. Of JUUL? 706:08 A. Of JUUL.		
708:05 - 708:08	Valani, Riaz 2021-10-01_WIT	00:00:10	VR_v13.149
	708:05 Q. And can you confirm that you 708:06 and Mr. Pritzker were the lead negotiators 708:07 for JUUL on the Altria deal in October, 708:08 November, December of 2018?		
708:10 - 708:11	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.150
	708:10 THE WITNESS: I think Kevin 708:11 Burns was CEO.		
708:16 - 708:19	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.151
	708:16 Q. All right. So you, 708:17 Mr. Pritzker and Kevin Burns, you say, were 708:18 the lead negotiators for JUUL, correct? 708:19 A. Yes.		
710:08 - 710:15	Valani, Riaz 2021-10-01_WIT	00:00:12	VR_v13.152
	710:08 (Valani Exhibit 40114 marked 710:09 for identification.) 710:10 QUESTIONS BY MR. GDANSKI: 710:11 Q. If you take a look then, 710:12 please, at number 173, which is from 2.1 710:13 October 5, 2018. Just confirm this is the 2.2 710:14 letter from Howard Willard in October 710:15 addressed to JUUL and you and Mr. Pritzker.		
710:18 - 711:09	Valani, Riaz 2021-10-01_WIT	00:00:58	VR_v13.153
	710:18 Q. can you confirm 710:19 that's what this is? 710:20 A. Yes. 710:21 Q. What was your reaction to 2.3 710:22 receiving this offer now in October of 2018? 710:23 A. I was surprised. 710:24 Q. Why? 710:25 A. Well, discussions had kind of 711:01 broken off between the companies previously, 711:02 and I thought they had broken off in kind of 711:03 an irretrievable sort of way.		

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DESIGNATION	SOURCE	DURATION	ID
	711:04 And obviously these types of 711:05 discussions consume a lot of time and effort 711:06 and thought and bandwidth. And I think the 711:07 company, JUUL's, focus was really on doing 711:08 what it needed to do as a business and -- and 711:09 moving forward.		
728:05 - 728:11	Valani, Riaz 2021-10-01_WIT	00:00:15	VR_v13.154
<input checked="" type="checkbox"/> Clear	728:05 QUESTIONS BY MR. GDANSKI: 728:06 Q. It was in 728:07 September of 2019 that the board voted to 728:08 accept the resignation of Mr. Burns and 728:09 approve Mr. Crosthwaite as the new CEO of 728:10 JLI, right? 728:11 A. That's correct.		
729:09 - 729:22	Valani, Riaz 2021-10-01_WIT	00:00:44	VR_v13.155
	729:09 Q. When was the first time 729:10 you recall the discussion about K.C. 729:11 Crosthwaite joining JUUL in any capacity? 729:12 A. I mean, he had been highly 729:13 recommended as a solid person, you know, kind 729:14 of by Altria, just as a very solid person. 729:15 It's the reason why they chose him to be our 729:16 board observer. 729:17 There was a reason why he was 729:18 kind of a primary liaison in between the 729:19 companies. So -- and so there was some -- a 729:20 positive -- positive view of him both from 729:21 Altria and also with the interactions that 729:22 JUUL had had with him.		
732:07 - 732:09	Valani, Riaz 2021-10-01_WIT	00:00:09	VR_v13.156
	732:07 Q. And Mr. Crosthwaite, 732:08 were you aware of the fact that he was 732:09 previously the CEO of Philip Morris USA?		
732:12 - 732:13	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.157
	732:12 THE WITNESS: I knew what his 732:13 risumi was.		
733:09 - 733:13	Valani, Riaz 2021-10-01_WIT	00:00:13	VR_v13.158
	733:09 Q. Was there anybody else you were 733:10 considering as a replacement for Mr. Burns?		

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DESIGNATION	SOURCE	DURATION	ID
	733:11 A. Yeah, there were some internal 733:12 candidates, and there was some other external 733:13 people that we had had in mind.		
736:19 - 736:21	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.159
	736:19 Q. Were you aware of the fact that 736:20 for years his role at Altria was to be 736:21 responsible for the Marlboro brand		
737:02 - 737:10	Valani, Riaz 2021-10-01_WIT	00:00:15	VR_v13.160
	737:02 THE WITNESS: He would have 737:03 been responsible for that as the -- as 737:04 the -- as the head of PM USA. 737:05 QUESTIONS BY MR. GDANSKI: 737:06 Q. Right. 737:07 But do you know if there was a 737:08 period of time that he was also a brand 737:09 manager for Marlboro? 737:10 A. I'm aware of that.		
741:11 - 741:18	Valani, Riaz 2021-10-01_WIT	00:00:18	VR_v13.161
	741:11 QUESTIONS BY MR. GDANSKI: 741:12 Q. Okay. So Mr. Crosthwaite, you 741:13 said yesterday, also brought over his 741:14 long-time colleague, Joe Murillo, right? 741:15 A. Yes. 741:16 Q. Joe Murillo is an attorney, 741:17 right? 741:18 A. Yes.		
741:23 - 741:25	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.162
	741:23 And Joe Murillo spent his 741:24 career also at Altria, correct? 741:25 A. Yes.		
742:01 - 742:03	Valani, Riaz 2021-10-01_WIT	00:00:06	VR_v13.163
	742:01 Q. Who is in charge of JUUL 742:02 now? Who would you say is in charge of JUUL 742:03 right now?		
742:06 - 742:07	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.164
	742:06 THE WITNESS: K.C. Crosthwaite 742:07 is the CEO.		
760:14 - 760:15	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.165

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DESIGNATION	SOURCE	DURATION	ID
	760:14 thank you 760:15 for your time. I appreciate it.		VR_v13.165
775:02 - 775:07	Valani, Riaz 2021-10-01_WIT 775:02 MS. SHARP: Okay. Great. I 775:03 have just a few, I think. 775:04 REDIRECT EXAMINATION 775:05 QUESTIONS BY MS. SHARP: 775:06 Q. Good evening, Mr. Valani. 775:07 A. Hi.	00:00:03	VR_v13.166
778:02 - 778:06	Valani, Riaz 2021-10-01_WIT 778:02 (Valani Exhibit 40118 marked 778:03 for identification.) 778:04 QUESTIONS BY MS. SHARP: 778:05 Q. Let's pull up Tab 116, please.	00:00:07	VR_v13.167
🔗 VALANI40118.	778:06 DAN LAWLOR: 40118. 1.1		
778:07 - 778:21	Valani, Riaz 2021-10-01_WIT 778:07 QUESTIONS BY MS. SHARP: 778:08 Q. All right. You're being shown, 🔗 VALANI40118. 778:09 Mr. Valani, an e-mail that was sent to you	00:00:34	VR_v13.168
1.2	778:10 and Mr. Frankel and Vittal Kadapakkam on 778:11 April 30, 2018. 778:12 Dan Sundheim is a part of D1 778:13 Capital, which is an investment entity, 778:14 right? 778:15 A. Yes.		
🔗 VALANI40118.	778:16 Q. And he -- in his e-mail he says 1.3		
	778:17 to you, "Hey, guys, thought you would find 778:18 this interesting, results from the JUUL 778:19 social media study we commissioned." 778:20 Do you see that? 778:21 A. I do.		
779:16 - 780:04	Valani, Riaz 2021-10-01_WIT 🔗 VALANI40118. 779:16 Q. All right. So let's take a	00:00:31	VR_v13.169
1.4	779:17 look at the underlying e-mail that was sent 779:18 by somebody named Eddie Dilworth, or Ed		

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DESIGNATION	SOURCE	DURATION	ID
🔗 VALANI40118.	779:19 Dilworth, and I'm looking at the second page		
2.2			
	779:20 here, the paragraph that begins with the word		
🔗 VALANI40118.	779:21 "finally."		
2.1			
	779:22 It says, "Finally, while we do		
	779:23 see some backlash elements in the social		
	779:24 conversation, some risks in terms of pod		
	779:25 switching and design characteristics, overall		
	780:01 in the short and midterm, this product is a		
	780:02 monster hit that will continue to grow."		
	780:03 Do you see that?		
	780:04 A. I do.		
780:09 - 780:21	Valani, Riaz 2021-10-01_WIT	00:00:32	VR_v13.170
🔗 VALANI40118.	780:09 Next paragraph. "Part of the		
2.3			
	780:10 popularity we haven't really documented yet		
	780:11 is the gadget side of the usage. You have an		
	780:12 emerging generation of gadget-lovers who are		
	780:13 pairing the JUUL with their mobile phones as		
	780:14 part of their new addictions and the two		
	780:15 really go hand-in-hand. While nicotine is		
	780:16 undoubtedly playing the biggest role in the		
	780:17 interest, the gadget element is really		
	780:18 important as well. It is creating a new		
	780:19 generation of smokers that is interested for		
	780:20 a new reason we have not seen before."		
	780:21 Did I read that correctly?		
780:23 - 781:06	Valani, Riaz 2021-10-01_WIT	00:00:14	VR_v13.171
	780:23 THE WITNESS: Yes, you read it		
	780:24 correctly.		
	780:25		
	781:01 QUESTIONS BY MS. SHARP:		
	781:02 Q. Would you agree with me that		
	781:03 creating a new generation of smokers that is		
	781:04 interested for a new reason we have not seen		
	781:05 before was inconsistent with the mission of		
	781:06 JUUL?		
781:11 - 781:12	Valani, Riaz 2021-10-01_WIT	00:00:02	VR_v13.172
	781:11 THE WITNESS: Yes, very much		

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DESIGNATION	SOURCE	DURATION	ID
	781:12 so.		
782:22 - 783:05	Valani, Riaz 2021-10-01_WIT	00:00:19	VR_v13.173
☒ Clear	782:22 (Valani Exhibit 40119 marked 782:23 for identification.) 782:24 QUESTIONS BY MS. SHARP: 782:25 Q. Let's pull up Tab 117, please. 783:01 And just for frame of		
🔗 VALANI40119.	783:02 reference, Mr. Valani, Tab 117 is the study		
1.1			
	783:03 that was commissioned by D1, the cover e-mail 783:04 that we just looked at. That was attached to 783:05 the cover e-mail we just looked at.		
783:06 - 783:07	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.174
🔗 VALANI40119.	783:06 All right. Let's go to Bates 783:07 ending 740, please.		
3.1			
783:08 - 783:23	Valani, Riaz 2021-10-01_WIT	00:00:37	VR_v13.175
🔗 VALANI40119.	783:08 All right. On the left-hand		
3.2			
	783:09 side it says, "JUUL popularity is riding 783:10 three incredible waves of use." 783:11 I want to focus on the second.		
🔗 VALANI40119.	783:12 And the second bullet it says, "The second		
3.3			
	783:13 comes from trendy teen/young adults, 783:14 millennials, whose use starts with JUUL 783:15 rather than cigarettes." 783:16 Did I read that correctly? 783:17 A. You did.		
🔗 VALANI40119.	783:18 Q. And the next box over says,		
3.4			
	783:19 "The second group is by far the largest, both 783:20 in sheer volume and in terms of social 783:21 posting." 783:22 Did I read that right? 783:23 A. I see that.		
785:02 - 785:03	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.176
🔗 VALANI40119.	785:02 Q. Let's go to the page ending in		
15.1			

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	785:03 Bates 752, please.		
785:04 - 785:22	Valani, Riaz 2021-10-01_WIT	00:00:44	VR_v13.177
🔗 VALANI40119.	785:04 On the left-hand side here it		
15.2	785:05 says, "What stage are they in?"		
	785:06 Do you see that?		
	785:07 A. I do.		
🔗 VALANI40119.	785:08 Q. And the first paragraph says,		
15.3			
	785:09 "The highest volume of those engaging around		
	785:10 JUUL are those who started with JUUL and		
	785:11 never smoked traditional cigarettes."		
	785:12 Do you see that?		
	785:13 A. I do.		
	785:14 Q. Do you remember reviewing this		
	785:15 study in April of 2018 when you received it?		
	785:16 A. I don't. I remember cursorily		
	785:17 reviewing it.		
	785:18 Q. You do.		
	785:19 A. And obviously the company --		
	785:20 the company had seen it, and I know that they		
	785:21 were incorporating this into their -- into		
	785:22 their work.		
786:15 - 787:05	Valani, Riaz 2021-10-01_WIT	00:00:32	VR_v13.178
	786:15 QUESTIONS BY MS. SHARP:		
🔗 VALANI40119.	786:16 Q. The next paragraph down says,		
15.4			
	786:17 "This group" -- and that's, again, referring		
	786:18 to those engaging around JUUL are those who		
	786:19 started with JUUL and never smoked		
	786:20 traditional cigarettes. So describing that		
	786:21 group.		
	786:22 "This group is nearly three		
	786:23 times the volume of those who are using on		
	786:24 attempted path to quitting smoking."		
	786:25 Do you see that?		
	787:01 A. I do.		
	787:02 Q. So JUUL was three times more		
	787:03 effective at ensnaring new users than		
	787:04 switching existing smokers, right, according		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	787:05 to this study?		
787:09 - 787:23	Valani, Riaz 2021-10-01_WIT	00:00:28	VR_v13.179
	787:09 THE WITNESS: Yeah, I don't --		
	787:10 I don't agree with the assertion,		
	787:11 so...		
	787:12 QUESTIONS BY MS. SHARP:		
	787:13 Q. The assertion in the study?		
	787:14 A. Yes.		
	787:15 Q. What studies can you point to		
	787:16 that come to a contrary conclusion?		
	787:17 A. I think NYTS is probably a much		
	787:18 better -- a much better set of studies to		
	787:19 look at.		
	787:20 Q. They, too, concluded that JUUL		
	787:21 had a significant youth uptick, though,		
	787:22 right?		
	787:23 A. They did.		
788:02 - 788:03	Valani, Riaz 2021-10-01_WIT	00:00:04	VR_v13.180
	788:02 Q. Let's go to the slide ending		
🔗 VALANI40119.	788:03 758, please.		
21.1			
788:04 - 788:13	Valani, Riaz 2021-10-01_WIT	00:00:18	VR_v13.181
🔗 VALANI40119.	788:04 Note 2. The heading of this		
21.2			
	788:05 one is "JUUL Owns Teens."		
	788:06 Do you see that?		
	788:07 A. Yes.		
🔗 VALANI40119.	788:08 Q. First bullet. "JUUL is the		
21.3			
	788:09 most popular teen behavior and meme-driver,		
	788:10 with Fortnite the only challenger on the		
	788:11 horizon."		
	788:12 Right?		
	788:13 A. Yes.		
789:06 - 789:10	Valani, Riaz 2021-10-01_WIT	00:00:08	VR_v13.182
🔗 VALANI40119.	789:06 Q. Second bullet. "JUUL's		
21.4			
	789:07 hyper-growth and 50 percent-plus market share		
	789:08 are coming in no small part from teen trend		

VR_v13 - VALANI, RIAZ SFUSD FINAL_PLAYED 04-26-23

DESIGNATION	SOURCE	DURATION	ID
	789:09 followers."		
	789:10 Right?		
789:16 - 789:23	Valani, Riaz 2021-10-01_WIT	00:00:21	VR_v13.183
	789:16 Yeah, I mean, to be clear, the		
	789:17 study -- I got to check -- the study		
	789:18 is an online sentiment study on social		
	789:19 media. So, yeah, I think you have to		
	789:20 take that into account when reviewing		
	789:21 this.		
	789:22 And I do understand what --		
	789:23 what this says here, so...		
790:13 - 790:17	Valani, Riaz 2021-10-01_WIT	00:00:05	VR_v13.184
<input checked="" type="checkbox"/> Clear	790:13 MS. SHARP: I think I'm out of		
	790:14 time. I don't have any further		
	790:15 questions.		
	790:16 Thank you very much for your		
	790:17 time.		

PLF AFFIRMATIVE	00:48:57
DEF COUNTER	00:07:05
TOTAL RUN TIME	00:56:01



Documents linked to video:

BOWEN11125
 VALANI40072
 VALANI40077
 VALANI40078
 VALANI40090
 VALANI40100
 VALANI40103
 VALANI40104
 VALANI40105
 VALANI40107
 VALANI40108
 VALANI40109
 VALANI40112

 VALANI40114

VALANI40118

VALANI40119

EXHIBIT 2

[Submitting Counsel on Signature Page]

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE JUUL LABS, INC.,
MARKETING, SALES PRACTICES,
AND PRODUCTS LIABILITY
LITIGATION

Case No. 19-md-02913-WHO

JOINT STIPULATION IDENTIFYING
TRIAL EXHIBITS USED IN THE
VIDEOTAPED DEPOSITION OF RIAZ
VALANI PLAYED AT TRIAL

This Document Relates to:

*San Francisco Unified School District v.
Juul Labs, Inc. et al.*, Case No. 3:19-cv-
08177

WHEREAS, Plaintiff called Riaz Valani, whose videotaped deposition was played to the jury.

WHEREAS, the exhibit numbers in the videotaped deposition are different from the Trial Exhibit numbers.

WHEREAS, to most efficiently clarify the record, the parties, by and through their undersigned counsel, hereby stipulate and agree that the chart below accurately reflects the deposition exhibits introduced during the videotaped testimony of Riaz Valani and the corresponding Trial Exhibit Numbers¹:

¹ The parties reserve all objections regarding these exhibits.

DEPOSITION EXHIBIT NUMBER	TRIAL EXHIBIT NUMBER
Bowen Exhibit 11125	Plaintiff Trial Exhibit 641
Valani Exhibit 40072	Plaintiff Trial Exhibit 914
Valani Exhibit 40077	Plaintiff Trial Exhibit 176
Valani Exhibit 40078	Plaintiff Trial Exhibit 177
Valani Exhibit 40090	Plaintiff Trial Exhibit 178
Valani Exhibit 40100	Plaintiff Trial Exhibit 1717
Valani Exhibit 40103	Plaintiff Trial Exhibit 180
Valani Exhibit 40104	Plaintiff Trial Exhibit 19
Valani Exhibit 40105	Plaintiff Trial Exhibit 181
Valani Exhibit 40107	Plaintiff Trial Exhibit 1268
Valani Exhibit 40108	Plaintiff Trial Exhibit 182
Valani Exhibit 40109	Plaintiff Trial Exhibit 3137
Valani Exhibit 40112	Plaintiff Trial Exhibit 183
Valani Exhibit 40114	Plaintiff Trial Exhibit 2596
Valani Exhibit 40118	Plaintiff Trial Exhibit 1371
Valani Exhibit 40119	Plaintiff Trial Exhibit 2938

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7 Respectfully submitted,

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